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LINCOLN TELEPHONE COMPANY, INC.

June 20, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

RE: Lincoln Telephone Company, Inc., SAC 482244  
Submission of FCC Form 481 Annual Report  
WC Docket No 14-58 ETC Annual Reports and Certifications

Dear Ms. Dortch:

Lincoln Telephone Company, Inc., Study Area Code 482244 hereby files its FCC 481 – Carrier Annual Reporting Data Collection Form in compliance with 47 C.F.R. §54.313 and §54.422.

The FCC Form 481 has also been filed with the Universal Service Administrative Company and with the Montana Public Service Commission.

Please contact me with any questions.

Sincerely,

Ken Lumpkin  
Secretary/Treasurer/General Manager

Enclosures

“SERVING YOU SINCE 1921”

111 STEMPLE PASS ROAD • LINCOLN, MT 59639-9701 • 362-4216



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LINCOLN TELEPHONE COMPANY, INC.

June 20, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

RE: WC Docket No. 14-58, Annual Report, Form 481 for High-Cost Recipient -  
54.313(f)(1) "Public Interest Obligation"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Lincoln Telephone Company, Inc. provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream / 1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

Please contact me with any questions at:

Phone: 406.362.4216

Email: ltc@lincotel.net

Sincerely,

Ken Lumpkin  
General Manager

"SERVING YOU SINCE 1921"

111 STEMPLE PASS ROAD • LINCOLN, MT 59639-9701 • 362-4216



[USAC Home](#) [High Cost Program](#) [Search Tools](#) [Form 481](#)

## CONFIRMATION

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### **Congratulations. Your filing has been successfully certified.**

Filing 1 was successfully certified on Wed 21 Jun 17 10:10:05 AM EDT by kennethlumpkin@lincetel.net .

SAC : 482244

498 ID : 143002534

Carrier Name : LINCOLN TEL CO INC

Program Year : 2018

A confirmation email will be sent to the email address on record for your user ID. Please email USAC at [HCCERTS@USAC.ORG](mailto:HCCERTS@USAC.ORG) if you do not receive this email within 24 hours.

Please take this quick survey and give us your thoughts! Your feedback will help improve the filing process. [Take Survey](#)

[Return to 481 Search](#) [Print Confirmation Page](#)

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name: Person USAC should contact with questions about this data	Kenneth Lumpkin
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address: Email of the person identified in data line <030>	ltc@lincotel.net
	Form Type	54.313 and 54.422

FCC Form 481  
OMB Control No. 3060-0985/OMB Control No. 3060-0819  
July 2013

$\langle 220 \rangle$	$\langle a \rangle$	$\langle b1 \rangle$	$\langle b2 \rangle$	$\langle b3 \rangle$	$\langle b4 \rangle$	$\langle c1 \rangle$
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[illegible]

**(300) Unfulfilled Service Request  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code

482244

<015> Study Area Name

LINCOLN TEL CO INC

<020> Program Year

2018

<030> Contact Name - Person USAC should contact regarding this data

Kenneth Lumpkin

<035> Contact Telephone Number - Number of person identified in data line <030>

4063624216 ext.0

<039> Contact Email Address - Email Address of person identified in data line <030>

lte@lincotel.net

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Renneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linotel.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	lto@lincoln.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
		482244mt510.pdf
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	



**(600) Functionality in Emergency Situations  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	482244
<015> Study Area Name	LINCOLN TEL CO INC
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035> Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039> Contact Email Address - Email Address of person identified in data line <030>	lto@linctel.net
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	482244mt610.pdf



(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext. 0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

[illegible]

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

[illegible]

(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext. 0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

<900> Does the filing entity offer tribal land services? (Y/N)

No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINGOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	lcc@lincotel.net

&lt;1000&gt;

Voice services rate comparability certification

Yes

&lt;1010&gt;

Attach detailed description for voice services rate comparability compliance

482244mt1010.pdf

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**Name of Attached Document**

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

&lt;1020&gt;

Broadband comparability certification

&lt;1030&gt;

Attach detailed description for broadband comparability compliance

482244mt1030.pdf

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**Name of Attached Document**

**{1100} No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@lincotel.net

482244mt1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP lincotel.net

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒



**(2005) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063824216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

<2011>	3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.		
<2022>	Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.		
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.		
<2024A>	Round 2 Recipient of Incremental Support?		
<2024B>	Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.		
<2025A>	Round 2 Recipient of Incremental Support?		
<2025B>	Attach geocoded information for Phase I milestone reports (Round 2 for year three) - Connect America Fund, WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).		
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)		

**(2005) Price Cap Carrier Additional Documentation**

**Data Collection Form**

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)




Name of Attached Document Listing  
Required Information

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))	Yes - Attach Certification
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))	No - No New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))	<input checked="" type="radio"/> Yes <input type="radio"/> No
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input checked="" type="radio"/> Yes <input type="radio"/> No
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:	
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No) <input type="radio"/> Yes <input type="radio"/> No
	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	<input type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 481
Data Collection Form		OMB Control No. 3060-0916/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext. 0
<039>	Contact Email Address - Email Address of person identified in data line <030>	tel@lincolntel.net

Financial Data Summary	
(3027) Revenue	1403353
(3028) Operating Expenses	1520297
(3029) Net Income	255964
(3030) Telephone Plant In Service(TPIS)	7851425
(3031) Total Assets	4822836
(3032) Total Debt	492312
(3033) Total Equity	2421227
(3034) Dividends	49000

**(4005) Rural Broadband Experiment Additional Documentation  
Data Collection Form**
**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013**

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4047424210 ext.0
<039>	Contact Email Address - Email Address of person identified in data line <030>	lcc@lincolnet.net

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

**If yes to 4003A, please provide a response for 4003B.**

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	482244
<015> Study Area Name	LINCOLN TEL CO INC
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035> Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039> Contact Email Address - Email Address of person identified in data line <030>	ltc@linetel.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: LINCOLN TEL CO INC	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/21/2017
Printed name of Authorized Officer: Kenneth Lumpkin	
Title or position of Authorized Officer: General Manager / Secretary-Treasurer	
Telephone number of Authorized Officer: 4063624216 ext.0	
Study Area Code of Reporting Carrier: 482244	Filing Due Date for this form: 07/03/2017
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	482244
<015> Study Area Name	LINCOLN TEL CO INC
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035> Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.0
<039> Contact Email Address - Email Address of person identified in data line <030>	ltc@linctel.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



Consumer Protection

Lincoln Telephone Company, Inc. is in compliance with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Lincoln Telephone Company, Inc. complies with service standards as promulgated in the Administrative Rules of the State of Montana 38.5 subchapter 33, Telecommunications Service Standards.

## Functionality in Emergency Situations

### Back-Up Power

Lincoln Telephone Company, Inc. has the following back up power capabilities:

#### Switch

Genband C15

48V DC Battery Rack 20 hour run time

AC Generator 500 Gallon Propane Fuel Tank 48 hour run time with no maintenance

#### Remote Central Office

Calix

48V DC Battery Rack 20 hour run time

AC Generator 500 Gallon Propane Fuel Tank 48 hour run time with no maintenance

#### Subscriber Carriers

Calix or AFC

48V Batteries 4 hour run time

Portable Gasoline Generators 8 hour run time

#### Network Interface Devices (NIDs)

Lincoln Telephone Company has a monthly average of 751 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

Lincoln Telephone Company has a monthly average of 112 customers with non-metallic (fiber optic) connections to the Central Office. These customer's NIDs are battery powered in case of emergency. The batteries are rated to last 10 hours with no use and 6 hours with constant use.

### Ability to reroute traffic around damaged facilities:

Lincoln Telephone Company, Inc. has built redundant facilities between its exchanges and / or to its connecting company / toll tandem. This redundant facility is in the form of a SONET ring with alternate physical facilities between Lincoln Telephone Company, Inc. and Vision Net, its interconnection to the Public Switched Telephone Network.

### Capability to manage traffic spikes resulting from emergency situations

Lincoln Telephone Company has a monthly average 863 customers, switching capacity of 10,000 simultaneous calls, and transport capacity for 1,000 simultaneous calls. Lincoln Telephone Company, Inc. takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

(700) Price Offerings Including Voice Rate Data  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
<015>	Study Area Name	LINCOLN TEL CO INC
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Kenneth Lumpkin
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@lntel.net

1/1/2017	
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	Residential Local Service Charge Effective Date	Single State-wide Residential Local Service Charge
<701>		
<702>		

<703>

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	482244
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<035>	Contact Telephone Number - Number of person identified in data line <030>	4063624216 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ltc@lincotel.net

[illegible]

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

[illegible]

Lincoln Telephone Company, Inc.

**482244MT1010.pdf**

As evidenced by the data provided in line 700 of this Form 481, Lincoln Telephone Company Inc. voice service pricing is no more than two standard deviations above the national average urban rate (\$49.51) as announced by the Wireline Competition Bureau on February 14, 2017 (DA 17-167).

Lincoln Telephone Company, Inc.

**482244MT1030.pdf**

Lincoln Telephone Company Inc. Broadband Services pricing meets the FCC's broadband public interest obligations because it offers broadband services as show on Line 710 of its Form 481 filing, at actual speeds of at least 10Mbps downstream / 1Mbps upstream at no more than the applicable benchmark for broadband services announced by the Wireline Competition Bureau on February 14, 2017 (DA17-167).

# LIFELINE ENROLLMENT FORM



LINCOLN TELEPHONE COMPANY, INC.

PLEASE FILL OUT THE FOLLOWING INFORMATION COMPLETELY AND LEGIBLY WITH BLACK INK.

482244MT1210.pdf Page 1

## SUBSCRIBER NAME & IDENTIFICATION

Last Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ Last 4 Digits of SS: \_\_\_\_\_  
First Name: \_\_\_\_\_ Middle Name: \_\_\_\_\_

## SUBSCRIBER ADDRESS

Residential Address (No PO Boxes, must be your physical/911 address)

Street Address: \_\_\_\_\_

Name of Apt. Complex/Multi Resident Facility: \_\_\_\_\_

Apt. No.: \_\_\_\_\_ Multi Resident Facility Room/Bed No.: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

## SUBSCRIBER SERVICE INFORMATION

Phone Number: \_\_\_\_\_ Alternate Phone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

## ELIGIBILITY

**QUALIFYING BENEFICIARY** (Complete if you or a dependent in your household is receiving benefits from one or more of the programs listed below or person whose household income is at or below 135% of national poverty level.)

First Name: \_\_\_\_\_ MI: \_\_\_\_\_ Last Name: \_\_\_\_\_

**PLEASE CHECK ONE AND PRESENT DOCUMENTATION  
PROVIDING PROGRAM PARTICIPATION:**

**INCOME QUALIFICATION:**

## CERTIFICATIONS

BY INITIALING EACH STATEMENT BELOW, YOU AGREE AND ACKNOWLEDGE UNDER PENALTY OF PERJURY THAT:

- ☐ Medicaid
- ☐ Supplemental Nutrition Assistance Program (SNAP)
- ☐ Supplemental Security Income (SSI)
- ☐ Federal Public Housing Assistance (Section 8)
- ☐ Veterans Pension or Survivors Pension

How many people are in your household? \_\_\_\_\_

Qualifying income based on number of persons in household:

- (1) \$16,038 (2) \$21,627
- (3) \$27,216 (4) \$32,805
- (5) \$38,394 (Add \$5,616 for each additional person.)

To qualify based on your income you must provide copies of one or more of the documents listed below:

- 3 Consecutive Paystubs
- Unemployment/Workers Compensation Benefits Statement
- Retirement/Pension Benefit Statement
- Prior Year's State or Federal Tax Return
- Social Security Benefits Statement
- Divorce Decree or Child Support Document
- Veteran Administration Benefits Statement

\_\_\_\_ I understand that Lifeline is a federal government benefit program and that only one qualified person may participate in the program and I may be punished if I knowingly provide false or untrue information to receive Lifeline. Punishment may include being fined, imprisoned, or barred from the Lifeline Program.

\_\_\_\_ I understand that Lifeline is only available for one benefit per household, whether landline or wireless. To the best of my knowledge no one in my household is receiving Lifeline benefits. (Note: Please complete HOUSEHOLD WORKSHEET section if you live in a multiple dwelling facility).

\_\_\_\_ I certify that I am at least 18 years of age and not currently receiving a Lifeline Program service from any other landline or wireless company. I understand that any violation of the one benefit per household limitation will result in de-enrollment from the Lifeline program and may be punished by fine or imprisonment.

\_\_\_\_ I understand that I will be required to recertify my eligibility for Lifeline service at least annually, and that failure to do so will result in termination of Lifeline benefits. I will notify Lincoln Telephone immediately if I no longer qualify.

\_\_\_\_ I will not transfer my service to any other individual, including another eligible low-income consumer and I will notify Lincoln Telephone within thirty (30) days if: my home address changes; I, or the eligible person in my household no longer meet the program or income eligibility criteria; my household receives more than one Lifeline discounted benefit, or my household, for any reason, no longer meets the criteria to receive Lifeline support. I understand failure to provide such notification will result in de-enrollment from the program.

\_\_\_\_ I understand that completion of this application and provision of documentation does not constitute immediate approval for Lifeline services.

\_\_\_\_ I give Lincoln Telephone permission to release to the Universal Service Administrative Company (USAC), the administrator of the program, and/or its agent any records required to confirm that my household only receives one Lifeline benefit.



**HOUSEHOLD WORKSHEET**

Only ONE lifeline service may be obtained per household. "Household" is defined as any individual or group of individuals who live together at the same address as one economic unit. An "economic unit" is defined as "all adult individuals contributing to and sharing in the income and expenses of a household." Lifeline support is available to eligible low-income consumers living in group-living facilities. As a Lifeline applicant, you must demonstrate that any other Lifeline recipients residing at your residential address are part of a separate household.

If there are multiple unique households at your address, as defined in this program, please also complete and submit the Household Section below.

For example, if you live in an apartment building, in a nursing home, or in another type of multi-dwelling facility. This will assist us in being able to respond promptly to your request for Lifeline benefits. Answer the questions below to determine whether there is more than one household residing at your address.

1. Does your spouse or domestic partner (that is, someone you are married to or in a relationship with) already receive a Lifeline-discounted benefit? (check no if you do not have a spouse or partner) ☐ YES ☐ NO
  - If you checked YES, you may not sign up for Lifeline because someone in your household already receives Lifeline. Only ONE Lifeline discount is allowed per household.
  - If you checked NO, please answer question #2.
2. Other than a spouse or partner, do other adults (people over the age of 18 or emancipated minors) live with you at your address?
 

A parent	<input type="checkbox"/> YES <input type="checkbox"/> NO	An adult roommate	<input type="checkbox"/> YES <input type="checkbox"/> NO
An adult son or daughter	<input type="checkbox"/> YES <input type="checkbox"/> NO	Other _____	<input type="checkbox"/> YES <input type="checkbox"/> NO
Another adult relative (such as a sibling, aunt, cousin, grandparent, grandchild, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO		

  - If you checked NO for each statement above, you do not need to answer the remaining questions. Please initial line B, below, and sign and date the worksheet.
  - If you checked YES, please answer question #3.
3. Do you share living expenses (bills, food, etc.) and share income (either your income, the other person's income or both incomes together) with at least one of the adults listed above in question #2? ☐ YES ☐ NO
  - If you checked NO, then your address includes more than one household. Please initial lines A and B below, and sign and date the worksheet.
  - If you checked YES, then your address includes only one household. You may not sign up for Lifeline because someone in your household already receives Lifeline.
4. Do any of the adults listed in question #2 already receive a lifeline discounted phone? ☐ YES ☐ NO
  - If you checked NO, please initial the line B below, and sign and date the worksheet.
  - If you checked YES, you may not sign up for lifeline because someone in your household already receives Lifeline. Only ONE Lifeline discount is allowed per household.

**HOUSEHOLD CERTIFICATION**

(To be completed only if you live in a group living facility or if there is more than one household living at your address.)

\_\_\_\_\_ I certify that I live at an address occupied by multiple households.

\_\_\_\_\_ I understand that violation of the one-per-household requirement is against the Federal Communication Commission's rules and May result in me losing my Lifeline benefits, and potentially, prosecution by the United States Government.

By signing below, I am certifying that all information contained on this form and in my documentation, is true and correct. I understand that if I knowingly provide false information in order to obtain Lifeline benefits that I will be guilty of perjury, which is punishable by fines or imprisonment up to five years.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Submit your completed form and your supporting documentation using one of the following methods:

**Mail:**

Lincoln Telephone  
111 Stemple Pass Rd  
Lincoln, MT 59639

Fax: 406-362-4606

Email: ltc@lincnet.net

Drop off at the Lincoln Telephone office

**FOR OFFICE USE ONLY**

Type of Document: \_\_\_\_\_

Date or expiration date of doc: \_\_\_\_\_

Date reviewed: \_\_\_\_\_ CSSR: \_\_\_\_\_

In person, by fax, or electronically

Name on Document: \_\_\_\_\_

Relationship: \_\_\_\_\_

**OFFICE USE ONLY (2016)**

Date Form and Document Received: \_\_\_\_\_



LINCOLN TELEPHONE COMPANY, INC.

482244MT3010.pdf

June 20, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

RE: WC Docket No. 14-58, Annual Report, Form 481 for High-Cost Recipient -  
54.313(f)(1) "Public Interest Obligation"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Lincoln Telephone Company, Inc. provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream / 1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

Please contact me with any questions at:

Phone: 406.362.4216

Email: [lrc@lincotel.net](mailto:lrc@lincotel.net)

Sincerely,

Ken Lumpkin  
General Manager

"SERVING YOU SINCE 1921"

111 STEMPLE PASS ROAD • LINCOLN, MT 59639-9701 • 362-4216

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER NAME

Lincoln Telephone Company, Inc.

(Prepared with Audited Data)

482244MT3017.pdf

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.  
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING  
December, 2016

BORROWER DESIGNATION  
MT0525

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

**DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII**

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Kenneth Lumpkin

3/5/2017

DATE

**PART A. BALANCE SHEET**

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	463,807	947,313	25. Accounts Payable	27,991	30,817
2. Cash-RUS Construction Fund	0	0	26. Notes Payable	0	0
3. Affiliates:			27. Advance Billings and Payments	0	17,500
a. Telecom, Accounts Receivable	93,126	86,789	28. Customer Deposits	3,738	3,975
b. Other Accounts Receivable	57,132	70,317	29. Current Mat. L/T Debt	73,409	39,408
c. Notes Receivable	0	0	30. Current Mat. L/T Debt-Rur. Dev.	0	0
4. Non-Affiliates:			31. Current Mat.-Capital Leases	0	0
a. Telecom, Accounts Receivable	0	0	32. Income Taxes Accrued	31,039	62,570
b. Other Accounts Receivable	0	0	33. Other Taxes Accrued	11,247	2,310
c. Notes Receivable	0	0	34. Other Current Liabilities	166	146
5. Interest and Dividends Receivable	5,075	5,677	35. Total Current Liabilities (25 thru 34)	147,590	156,726
6. Material-Regulated	36,206	26,329	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	0	0	36. Funded Debt-RUS Notes	531,714	492,312
8. Prepayments	8,480	8,859	37. Funded Debt-RTB Notes	0	0
9. Other Current Assets	0	0	38. Funded Debt-FFB Notes	0	0
10. Total Current Assets (1 Thru 9)	663,826	1,145,284	39. Funded Debt-Other	0	0
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan	0	0
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt	0	0
a. Rural Development	0	0	42. Recquired Debt	0	0
b. Nonrural Development	0	0	43. Obligations Under Capital Lease	0	0
12. Other Investments			44. Adv. From Affiliated Companies	0	0
a. Rural Development	0	0	45. Other Long-Term Debt	21,129	0
b. Nonrural Development	0	0	46. Total Long-Term Debt (36 thru 45)	552,843	492,312
13. Nonregulated Investments	523,767	525,343	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	330,684	319,139	47. Other Long-Term Liabilities	850,091	872,994
15. Deferred Charges	0	0	48. Other Deferred Credits	533,402	879,577
16. Jurisdictional Differences	0	0	49. Other Jurisdictional Differences	0	0
17. Total Noncurrent Assets (11 thru 16)	854,451	844,482	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,383,493	1,752,571
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	7,472,327	7,851,425	51. Cap. Stock Outstand. & Subscribed	2,450	2,450
19. Property Held for Future Use	0	0	52. Additional Paid-in-Capital		0
20. Plant Under Construction	35,309	39,755	53. Treasury Stock		0
21. Plant Adj., Nonop. Plant & Goodwill	0	0	54. Membership and Cap. Certificates	0	0
22. Less Accumulated Depreciation	4,727,725	5,058,110	55. Other Capital	0	0
23. Net Plant (18 thru 21 less 22)	2,779,911	2,833,070	56. Patronage Capital Credits	0	0
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	2,211,812	2,418,777
	4,298,188	4,822,836	58. Total Equity (51 thru 57)	2,214,262	2,421,227
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	4,298,188	4,822,836

Total Equity = 50.20% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0525	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2016	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		189,658	192,781
2. Network Access Services Revenues		1,051,741	1,187,607
3. Long Distance Network Services Revenues		0	0
4. Carrier Billing and Collection Revenues		0	0
5. Miscellaneous Revenues		26,667	27,942
6. Uncollectible Revenues		3,105	4,977
7. Net Operating Revenues (1 thru 5 less 6)		1,264,961	1,403,353
8. Plant Specific Operations Expense		480,634	595,532
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		27,554	28,868
10. Depreciation Expense		309,319	330,386
11. Amortization Expense		0	0
12. Customer Operations Expense		149,567	189,517
13. Corporate Operations Expense		387,771	375,994
14. Total Operating Expenses (8 thru 13)		1,354,845	1,520,297
15. Operating Income or Margins (7 less 14)		(89,884)	(116,944)
16. Other Operating Income and Expenses		0	0
17. State and Local Taxes		0	0
18. Federal Income Taxes		41,043	(74,931)
19. Other Taxes		34,843	34,423
20. Total Operating Taxes (17+18+19)		75,886	(40,508)
21. Net Operating Income or Margins (15+16-20)		(165,770)	(76,436)
22. Interest on Funded Debt		32,928	32,546
23. Interest Expense - Capital Leases		0	0
24. Other Interest Expense		0	198
25. Allowance for Funds Used During Construction			0
26. Total Fixed Charges (22+23+24-25)		32,928	32,744
27. Nonoperating Net Income		124,036	123,308
28. Extraordinary Items		0	0
29. Jurisdictional Differences		0	0
30. Nonregulated Net Income		238,634	241,836
31. Total Net Income or Margins (21+27+28+29+30-26)		163,972	255,964
32. Total Taxes Based on Income		0	0
33. Retained Earnings or Margins Beginning-of-Year		2,096,840	2,211,813
34. Miscellaneous Credits Year-to-Date		0	0
35. Dividends Declared (Common)		0	0
36. Dividends Declared (Preferred)		49,000	49,000
37. Other Debits Year-to-Date		0	0
38. Transfers to Patronage Capital		0	0
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		2,211,812	2,418,777
40. Patronage Capital Beginning-of-Year		0	0
41. Transfers to Patronage Capital		0	0
42. Patronage Capital Credits Retired		0	0
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		70,094	94,532
45. Cash Ratio [(14+20-10-11) / 7]		0.8865	0.8190
46. Operating Accrual Ratio [(14+20+26) / 7]		1.1571	1.0778
47. TIER [(31+26) / 26]		5.9797	8.8171
48. DSCR [(31+26+10+11) / 44]		7.2220	6.5490

USDA-RUS

# **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

MT0525

PERIOD ENDED

December, 2016

## **Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Canyon Creek	22.75	18.45	9	133	142	98.08	24.32
Lincoln	22.75	18.45	144	554	698	258.86	45.33
MobileWireless					0		
Route Mileage Outside Exchange Area						26.63	26.63
Total			153	687	840	383.57	96.28
No. Exchanges	2						

USDA-RUS

# **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

MT0525

PERIOD ENDED

December, 2016

## **Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

### **4. BROADBAND SERVICE**

#### **Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Canyon Creek	142	83	13	768	768	22.90	Package	DSL
Lincoln	698	436	72	768	768	22.90	Package	DSL
Total	840	519						

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>			<b>BORROWER DESIGNATION</b> MT0525  <b>PERIOD ENDING</b> December, 2016		
INSTRUCTIONS- See RUS Bulletin 1744-2					
<b>PART D. SYSTEM DATA</b>					
1 No Plant Employees	2 No Other Employees	3 Square Miles Served	4 Access Lines per Square Mile	5 Subscribers per Route Mile	
3	3	2,015	.42	2.19	
<b>PART E. TOLL DATA</b>					
1. Study Area ID Code(s)  a. 482244 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  <div style="display: flex; justify-content: space-between;"> <div>           Interstate: <input type="checkbox"/> Average Schedule             Intrastate: <input type="checkbox"/> Average Schedule         </div> <div> <input checked="" type="checkbox"/> Cost Basis   <input checked="" type="checkbox"/> Cost Basis         </div> </div>			
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					379,098
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					379,098
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>					
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION MT0525  PERIOD ENDING December, 2016
<b>PART H. CURRENT DEPRECIATION RATES</b>	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO	
<b>EQUIPMENT CATEGORY</b>	<b>DEPRECIATION RATE</b>
1. Land and support assets - Motor Vehicles	15.84%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	15.84%
4. Land and support assets - Garage and other work equipment	15.84%
5. Land and support assets - Buildings	7.32%
6. Land and support assets - Furniture and Office equipment	7.61%
7. Land and support assets - General purpose computers	7.61%
8. Central Office Switching - Digital	7.61%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	7.61%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	6.70%
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	5.04%
19. Cable and wire facilities - Aerial cable - Metal	5.04%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	3.48%
24. Cable and wire facilities - Buried cable - Fiber	3.48%
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	



USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0525
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December, 2016
PART I – STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	463,807
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	255,964
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	330,386
4.	Add: Amortization	0
5.	Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	(6,848)
7.	Decrease/(Increase) in Materials and Inventory	9,877
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(379)
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	2,826
11.	Increase/(Decrease) in Advance Billings & Payments	17,500
12.	Increase/(Decrease) in Other Current Liabilities	22,574
13.	Net Cash Provided/(Used) by Operations	631,900
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	237
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(94,532)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	369,078
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	0
20.	Less: Payment of Dividends	(49,000)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explain)	
23.	Net Cash Provided/(Used) by Financing Activities	225,783
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(383,544)
25.	Other Long-Term Investments	(1,576)
26.	Other Noncurrent Assets & Jurisdictional Differences	11,545
27.	Other (Explain) Loss on Non Marketable Investments	(602)
28.	Net Cash Provided/(Used) by Investing Activities	(374,177)
29.	Net Increase/(Decrease) in Cash	483,506
30.	Ending Cash	947,313

Revision Date 2010



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ASPECTS OF  
CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR  
TELECOMMUNICATION BORROWERS**

Board of Directors  
Lincoln Telephone Company, Inc.  
Lincoln, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lincoln Telephone Company, Inc. (LTC), which comprise the balance sheet as of December 31, 2016, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2017. In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2017, on our consideration of LTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above which are related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that LTC failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding LTC noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding LTC's accounting and records to indicate that LTC's did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts (except the Company doesn't have up-to-date plant subsidiary records);

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Reconcile continuing property records to the controlling general ledger plant accounts (except the Company doesn't have up-to-date plant subsidiary records);



Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telecommunication system;

Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and

Comply with the requirements for the detailed schedule of investments

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Anatole CPA Group*

Bozeman, Montana

March 7, 2017